

**ARIZONA STATE PARKS BOARD  
11456 W. CIVIC CENTER DRIVE  
AVONDALE, AZ  
SEPTEMBER 23, 2004  
MINUTES**

**Board Members Present:**

John Hays, Chairman  
Elizabeth Stewart  
William Porter  
William Cordasco  
Gabriel Gonzales-Beechum (arrived 9:50 a.m.)  
Janice Chilton (arrived 9:27 a.m.)  
Mark Winkleman

**Staff Present:**

Kenneth E. Travous, Executive Director  
Jay Ream, Assistant Director, Parks  
Jay Ziemann, Assistant Director, Partnerships and External Affairs  
Mark Siegwarth, Assistant Director, Administration  
Debi Busser, Executive Secretary  
Doris Pulsifer, Chief of Grants  
Charles Eatherly, Acting Chief, Resources Management  
Janet Hawks, Chief of Parks  
Ray Warriner  
Sue Hilderbrand, Grants Coordinator  
Pat Dutrack, Grants Coordinator  
Robert Baldwin, Grants Coordinator  
Elizabeth Krug, Chief of Research and Marketing  
Audra Beyer, Research and Marketing  
Bob Sejkora, Resources Management  
Rick Toomey, Cave Expert, Kartchner Caverns State Parks

**Attorney General's Office:**

Joy Hernbrode, Assistant Attorney General

**A. CALL TO ORDER – ROLL CALL**

Chairman Hays called the meeting to order at 9:05 a.m.

**B. INTRODUCTIONS**

The Board and Executive Staff introduced themselves. Chairman Hays noted that anyone wishing to address the Board through the course of this meeting needed to complete a Speaker's form and give it to the secretary.

**C. PUBLIC COMMENT**

No members of the public present wished to address the Board at this time.

**D. CONSENT AGENDA**

- 1. Approve Minutes of July 21, 2004 State Park Board Meeting**
- 2. Approve Minutes of July 22, 2004 State Parks Board Meeting**

3. **Approve Minutes of Executive Session held July 22, 2004**
4. **Consider Extending the Project End Date for the City of Flagstaff Trails Heritage Fund Project #680011, FUTS: Bow & Arrow Wash Trail Phase 1 –**  
Staff recommends extending the project end date by 12 months to November 17, 2005 for the Flagstaff Trails Heritage Fund Project #680011, FUTS: Bow & Arrow Wash Trail Phase I.

**Board Action**

Mr. Porter: I move the approval of the Consent Agenda.

Mr. Cordasco seconded the Motion.

Ms. Stewart requested that the approval of the July 22, 2004 Minutes be delayed until the next Board meeting because her packet was missing several pages. She does have corrections to the portion she did receive which she will send to the Secretary.

Ms. Stewart stated that she has corrections for both the Minutes of the July 21, 2004 State Parks Board Meeting and the Minutes of the Executive Session held July 22, 2004.

Mr. Porter: I amend my motion to withdraw the Approval of the July 22, 2004 State Parks Board Meeting to our next meeting and subject to corrections to the Minutes of the July 22, 2004 State Parks Board Meeting and corrections to the Minutes of the Executive Session held July 22, 2004.

Mr. Cordasco seconded the Amended Motion.

Ms. Stewart stated she has corrections to the Minutes of the Executive Session held July 22, 2004 as follows. On page 5, the 6<sup>th</sup> line, the word "or" should be "where". On the third-to-last line the word "collapse" should be "elapse".

Ms. Stewart stated that she has corrections to the Minutes of the Parks Board Meeting held July 21, 2004 as follows. On page 4, the third paragraph, the fifth line the word "wild" should be "while". Page 5, the last paragraph, says, "Ms. Stewart noted in reading the Resources Inventory and Assessment (RIA) for Red Rock State Park document"; that was not the document she referred to. It was the State Parks Values Section of the Strategic Plan.

Mr. Porter noted that Ms. Stewart was correct and that he was also referring to the Strategic Plan as well.

Ms. Stewart stated, then, that the same correction would have to be made on page 6.

Ms. Stewart stated that on page 9, the 6<sup>th</sup> full paragraph, line 6, the word "made" should be "met". On page 16, the second paragraph, the second-to-last sentence should read, "reclassify or raise the pay of some of the people at the Phoenix Office. Many hold Masters degrees." On page 20, the first line, the word "trusting" should be "rushing into". In the same paragraph, line 7 should be "conversation with Mr. Siegwarth two or three weeks ago"; the words "staff told her" should be replaced with "he told her".

Mr. Porter stated his acceptance of the amendments to the Minutes Ms. Stewart referenced. Mr. Cordasco, as second, also accepted them.

Chairman Hays called for a vote on the amended motion. The motion carried unanimously.

## **E. BOARD ACTION ITEMS**

### **1. Summary of Staff Funding Recommendations for Competitive Grant Programs**

Ms. Hilderbrand presented an overview of the grants to be presented to the Board. She referred to page 3 of the Board Packet where a review was given of the Local, Regional and State Parks (LRSP) grant program, the Historic Preservation grant program, the Trails grant program, and the federal Recreational Trails Program. For those grant programs, a total of 71 eligible applications were received requesting \$10,967,977. Staff are recommending 45 of those projects be funded for a total of \$5,665,671 in grant awards.

Ms. Hilderbrand added that the Growing Smarter Grant Program has a number of conditions that will be discussed. It received one application.

Ms. Hilderbrand reported that the grant process starts in October. Staff finalize the grant manuals and include any changes to the rating criteria, policies, and try to make them clearer to the applicants. Staff then conduct Grant Workshops for potential applicants that show them how to complete their applications and explain the rules and eligibility. The Grants staff are very accommodating. They provide all the assistance they can. Virtually every application is due during February and March, depending on the program. In April and May staff review each application to ensure all eligibility requirements have been satisfied and ensure that the budgets are in order. Except for the Historic Preservation program, staff conduct site visits of the projects. In June staff take a summary of the applications to the Advisory Committees and the applicants are invited to attend those meetings. The applications are rated and prioritized in June or July. Staff present their grant recommendations to the appropriate Advisory Committee. The recommendations are based on the prioritized scores of the applications (staff's recommendations are cut off at the Strategic Plan line). The Strategic Plan's relationship to the Grants Section is that a certain percentage must be considered "high priority". "High Priority" is defined as receiving at least 80 out of a possible 100 points. If 50% High Priority is required, then at least 50% of the projects must score at least 80 points. The September Board Meeting is where the process ends for staff but begins for the applicants.

Ms. Hilderbrand reported that staff will present their recommendations and the Advisory Committees' recommendations to the Board for funding today. Many times those recommendations will be the same.

Ms. Stewart asked how the Land and Water Conservation Fund (LWCF) fits into this process.

Ms. Hilderbrand responded that the LWCF money is distributed in the same way as the LRSP money. It has the same rating criteria. The agency receives a certain percentage of the Heritage Fund to be used for the LRSP grant program and staff prioritize those applications. When the LRSP program runs out, staff continue with the LWCF funding.

Ms. Stewart asked when staff anticipate receiving those funds for this year.

Ms. Hilderbrand responded that she could not answer that question. Last year staff received word of that money in April. It varies. Sometimes it is as early as December.

Ms. Stewart asked if there are new applicants at that time.

Ms. Hilderbrand responded negatively.

- a. **Consider Staff Recommendations for Funding FY 2004 Local, Regional and State Parks Heritage Fund (LRSP) Grant Projects.** Staff recommends awarding \$3,628,338 to the first 17 projects as listed on the summary sheet. The Arizona Outdoor Recreation Coordinating Commission (AORCC) concurred unanimously with this recommendation on August 12, 2004.

Ms. Hilderbrand reported that 26 applicants requested a total of \$7,750,405. This program is funded through the Lottery and was fully funded at \$3.5 million. Staff rated and prioritized the applications. With the deobligations and uncommitted balance carried over, there is \$3,652,823 available for this program.

Ms. Hilderbrand reported that staff recommends the top 17 rated projects be funded in the amount of \$3,628,338, leaving about \$25,000 in carryover. This recommendation follows the Strategic Plan line (75% of those projects must be considered high priority).

Ms. Hilderbrand noted that normally when the LRSP money runs out, LWCF money would be used to continue funding projects that fall within the Strategic Plan line. However, staff are not recommending that be done this year because of not knowing when that money will come in. Staff are recommending that if and when that money comes in, it be kept for next year. Staff do not want to award money that is not there and that they don't know when it will be received.

Ms. Hilderbrand reiterated that staff recommends funding the top 17 rated projects in the amount of \$3,628,338 and that AORCC concurred unanimously with that recommendation.

#### **Board Action**

Mr. Porter: I move that the 17 highest-rated FY 2004 LRSP grant projects be approved for funding at \$3,628,338 and that the Executive Director or his designee is authorized to sign the Participant Agreements.

Ms. Stewart seconded the motion. The motion carried unanimously.

- b. **Consider Funding the FY 2004 Recreational Trails Program (Motorized Portion) Grant Projects.** Staff recommends awarding \$475,822 to the four eligible applications. This recommendation is contingent upon all projects completing the Section 106 requirements and obtaining National Environment Policy Act (NEPA) concurrence from the Federal Highway Administration. The Off-Highway Vehicle Advisory Group (OHVAG) unanimously concurred with the staff recommendation on July 26, 2004.

Ms. Hilderbrand reported that 4 eligible applications were received requesting \$496,782. This is federal money. The rating team scored those projects and, consistent with the Strategic Plan line, staff recommend funding all 4 projects for \$475,822 leaving \$20,254 in carryover. OHVAG unanimously agreed with this recommendation.

Mr. Porter noted his concern with the low points scored on the last applicant. While he has no problem with the project itself, a score of 42 compared with 90 and 100 scored by the other projects needs some explanation.

Ms. Hilderbrand reported that the reason this project scored so low is that it is purely an educational project. Generally, these programs offer a lot of points to Development. This applicant, Camp Fire USA Desert Southwest Council, is not conducting any Development work at all. It is purely an educational program. Staff supports this type of program; it promotes OHV ideals - teaching people to ride safely and environmental protection. Staff believe this is a good educational project.

Mr. Porter asked what happens to those funds if they are not awarded to that grant.

Ms. Hilderbrand responded that this is federal money. It would remain in the fund for next year.

Ms. Stewart noted her concern about the low score; however, based on what staff told the Board it appears to her that providing education about protection of the resources so people can enjoy them without damaging them is one of the most important things the Board does. It may be time for the Board to re-examine the criteria in this area. As the Board found in the LRSP program, Development seems to be more favored than either education or protection of open space and natural areas. Perhaps our needs and the people's desires have shifted since the criteria was first developed. In view of the fact that the criteria really didn't anticipate this kind of applicant to apply for this grant, she has less problem going ahead with it than if this were the type of contract that was anticipated. There is an obvious real need for this kind of a program.

Ms. Stewart asked if this program will be limited to members of the Camp Fire organization or open to the public.

Mr. Baldwin responded that the program will be offered primarily in the Yuma County area by Camp Fire. However, it will be open to all participants – adults and children. Eventually the program will move to other locations throughout the state. They expect to train 1200 people during the course of the project. Membership in Camp Fire will not be required.

### **Board Action**

Mr. Porter: I move that the Recreational Trails Program (Motorized Portion) funding be approved for the four eligible applications at \$475,822 contingent upon completing the Section 106 requirements and obtaining NEPA concurrence from the Federal Highway Administration, and that the Executive Director or his designee be authorized to execute the participant agreement.

Ms. Stewart seconded the motion. The motion carried unanimously.

- c. **Consider Funding FY 2004 Trails Heritage Fund Grant Projects.** Staff recommends awarding \$378,290 to the six FY 2004 Trails Heritage Fund projects on the summary list. AORCC unanimously concurred with the staff recommendation on August 12, 2004.

Ms. Hilderbrand reported that this program is funded through the Lottery and was fully funded at \$500,000. Staff received 6 Trails applications requesting \$408,538. The

total amount available this year is \$692,007 with the prior year's deobligations and uncommitted balance of \$217,007 less the State Parks set-aside of \$25,000. Staff recommends funding all 6 of these projects in the amount of \$378,290 leaving a balance of \$313,717. They all fall within the Strategic Plan line. AORCC unanimously agreed with the staff recommendation. She noted that there are some low scores in this program. Those low scores were the result of very limited scope items. All three of those projects are very specifically trail rehabilitation due to a fire or flooding. They are very limited and have very specific scope items relating to rehabilitation of the trails. There is very little education; there is no signage involved in those projects. Because of the nature of the projects, staff recommend funding all 6 projects.

Mr. Porter stated his concern with the last applicant regarding the trail renovation in the Grand Canyon. It is in a national park. He knows that there is nothing improper about the federal government applying for this grant. He has a difficult time, however, utilizing these funds for this type of repair to a major trail in the main part of the Grand Canyon – a cash cow for the National Park Service (NPS). They charge an entrance fee that is much higher than the fees at our state parks. He has difficulty justifying this grant. It seems as though the NPS ought to have funding to be able to repair a trail of this importance.

Chairman Hays noted that it is a federal park and that they are having financial difficulty as well.

Ms. Stewart stated that she has a different view. She believes that part of the low score has to do with the Board's criteria that, again, favors finding new opportunities and broader things. However, there are a number of people in this state who benefit from being able to go down that trail. There are a number of businesses that benefit from the people who come to hike that trail from other places. She believes it is important. She noted that a lot of the money the Board has are given to entities such as federal agencies. The Board needs to recognize that there is a lot of federal land in Arizona and that it is a real benefit for the people of this state. There are other programs where the Board receives federal money that it uses for state purposes. While she is troubled by the fact that the score is only 28, she believes that part of that is because of the narrow focus. She does not believe that makes it any less important to this state to have that trail open.

Mr. Porter responded that he does not disagree with Ms. Stewart. His main concern is not the low score. He suspects that if we had a state project with that low of a score the Board would be very hard on it. While he agrees that that trail is very important, he finds it impossible to believe that the National Parks Service doesn't also recognize it's importance and that they wouldn't put a priority on repairing that trail.

Ms. Stewart noted that they have the same problem that the Board has. Their Congress has very much the same views as the Board's legislature in terms of the priority they place on this. She doesn't believe it is an issue of the NPS thinking it's not important or not being willing to allocate the resources. Just as the Board has not been given money for major maintenance and capital improvements over the last several years, neither has the NPS. It is a very serious matter. The Board could take a stand to not fund it; but we really hurt ourselves.

Mr. Porter noted that there will not even be any small signage on that trail noting that it was repaired in 2004/2005 by a grant by Arizona State Parks (ASP). He cannot support awarding this grant.

**Board Action**

Ms. Stewart: I move that the six (6) FY 2004 Trails Heritage Fund projects be approved for funding at \$378,290, and that the Executive Director or his designee be authorized to execute the participant agreements.

Mr. Cordasco seconded the motion.

Mr. Winkleman asked if the subject of other available funds they may have access to came up with staff or the Advisory Committee.

Ms. Hilderbrand responded that the score was discussed.

Mr. Winkleman asked if it is known whether or not they previously tried to get this work done federally and had been turned down or if this is a last resort. The issue is why should state funds be expended to fix a national park.

Mr. Baldwin responded there is quite a bit of work that needs to be done on that trail. That portion of the trail is the first 4.5 miles down from the South Rim and is highly used by day users and by the pack mules that take people down several times a day. These same types of repairs are being done on other sections of this trail using their own funds. It is very expensive to do that type of repairs because of the difficulty in getting materials down to that location daily. They are matching this grant 50/50; they have come up with \$100,000 of their own money. It is the cost of doing that kind of work and coming up with a product that will sustain itself.

Ms. Stewart noted her concern that the Board is going down a slippery slope. The Board's criteria allows federal applicants to be considered. If the Board is then going to put an additional requirement that federal applicants need to demonstrate that they have exhausted all other possible sources of funds, then they are being treated differently. The Board would need to amend its criteria.

Mr. Travous noted that past Boards have had this type of concern. He believes it is more difficult to justify when the federal government is not funding LWCF. However, they are funding LWCF now. Under this Administration, they are using more and more LWCF for maintenance. They have increased the LWCF over the last two or three years to about \$900 million as part of their overall conservation package. They carved \$100 million out of that \$900 million, of which this agency receives \$2.3 million. They are using about \$400,000 for maintenance throughout the national parks. The national parks system is in terrible need of repair all across the country. They have been neglectful over the years and are trying to catch up. He believes they are doing their part.

Chairman Hays called for a vote on the motion on the floor. The motion carried with Mr. Porter voting Nay.

Ms. Stewart noted that there will be about \$313,000 left in this grant program. She asked if there are any plans for an additional cycle. She asked staff why they believe there are not more applicants for this program. It would seem there is tremendous need

throughout the state for trails. People say trails are one of their highest priorities. Even in the real estate section of the paper, many of the developments advertise themselves as being near trails.

Ms. Hilderbrand responded that staff advertise these programs; a press release went out today announcing the next round of grant cycles. She cannot explain why this grant program is not in demand.

- d. **Consider Staff Recommendation for Funding FY 2004 Growing Smarter State Trust Land Acquisition Project.** Staff recommends approving funding to Pima County for the purchase of the Valencia Archaeological Site, provided the County is the highest and best bidder at public auction. The final grant amount will be based on the Arizona State Land Department (ASLD) final appraised value of the parcel, agreed upon by Pima County, plus no more than 10% for eligible associated costs. The grant award may not exceed \$900,000 as this is the amount requested in the application. The Conservation Acquisition Board (CAB) unanimously concurred with the staff recommendation.

Ms. Hilderbrand reported that staff received 1 application this year from Pima County. The amount available is \$33,964,112 (includes the \$20 million General Fund allocation less the \$2 million transferred to Dept. of Agriculture for the Livestock and Crop Conservation Fund). The application was rated. Staff recommends that the Board fund this application. This is a peculiar project. Pima County is requesting \$900,000 based on an appraisal that they commissioned. The program requirement states that an appraisal from the Land Department must be submitted. That appraisal has not been completed. Staff recommends that the Board allow up to \$900,000 to be available to Pima County and the final number will be the final appraised value plus associated allowable costs. The CAB unanimously agreed with staff's recommendation.

Mr. Porter asked if the freeway passes by this property.

Ms. Hilderbrand responded that the property is right on I-19 just south of Tucson. It is a large open area full of archaeological sites.

Mr. Porter stated he had no opposition to this application and invited comments from the Land Commissioner. He noted that it was curious that there was only one project applying for this grant. He found it difficult to believe that there were no other projects out there that were potentially worthy.

Ms. Hilderbrand responded that this program is different from other grant programs. Not just anyone can apply for this money. It is a very specific group of people who have already been through the reclassification process with the Land Department. The pool of possible applicants is small. As to why there weren't more applicants for this grant, she deferred to the Land Commissioner.

Mr. Winkleman stated that the reason people are not applying for this grant money is because of trouble started by a group in Tucson called People of the West who have decided that they will protest any effort to sell property that is deed restricted as permanent open space. In looking at the legal issues involved with that, the Land Department is concerned that it would not stand up to legal scrutiny. In fact, there is the potential that some things that have already been done could be "unwound". ASLD has told all the groups involved that unless they are willing to go forward without that



restriction, ASLD does not feel that it can. The reason no one has applied is because we are stuck in a legal no man's land. This particular transaction will not go forward, either, without that deed restriction. This is just one more example of why there is a need to reform the laws relating to the Land Department.

**Board Action**

Mr. Porter: I move that the Pima County grant application for the purchase of the Valencia Archaeological Site be approved for funding with the final grant amount being based on the Arizona State Land Department's final appraised value of the parcel, agreed upon by Pima County, plus no more than 10% for eligible associated costs. The total grant award may not exceed \$900,000. Approval of the award is contingent upon Pima County being the highest and best bidder for the parcel at public auction, the parcel being monitored through a patent restriction or a conservation easement, and that the Executive Director or his designee be authorized to execute the participant agreements.

Ms. Chilton seconded the motion. The motion carried unanimously.

- e. Consider Staff Recommendations for Funding FY 2004 Historic Preservation Heritage Fund Grant Projects.** Staff recommends awarding \$1,183,221 to the 18 highest-rated grant projects listed on the summary list. At their August 9, 2004 meeting, the Historic Preservation Advisory Committee (HPAC) moved to award \$1,642,295 to the 26 highest-rated FY 2004 Historic Preservation Heritage Fund grant projects after staff's evaluation of eligible scope items. This recommendation includes partial funding to the City of Phoenix for the Franklin School Roof project. HPAC further moved to approve the set-aside funding to Arizona State Parks Development for \$150,000 and to the State Historic Preservation Office for \$100,000.

Ms. Hilderbrand reported that there were 35 eligible applications requesting \$2,312,252 in grant awards. The Heritage Fund was fully funded this year at \$1,700,000; last year's deobligations and uncommitted balance of \$192,295 was added, and the set-asides to State Parks Development (\$150,000) and to SHPO (\$100,000) were deducted, leaving total available revenue for this grant program at \$1,642,295. Staff rated the applications. Staff recommend that the Board fund the top 18 projects in the amount of \$1,183,221 leaving an uncommitted balance of \$459,074.

Ms. Hilderbrand noted that staff's recommendation is consistent with the Strategic Plan. At their August 9, 2004 meeting, HPAC voted to award all of the money to include the top 26 highest-scoring projects. HPAC's recommendation would include down to Phoenix' Franklin School Roof project, but only cover about \$80,000 of their \$100,000 request. HPAC did approve staff's recommendation for \$150,000 set-aside to ASP's Development and the set-aside to SHPO for \$100,000. She noted that Mr. Linoff, Chairman of HPAC, was present to answer any questions on HPAC's recommendation to award all of the money.

Chairman Hays noted that he received several requests to speak to this issue.

Mr. Bill Scheel, representing the Mayor's Office, City of Phoenix, addressed the Board. On behalf of the Mayor, he thanked the Parks Board for all of the partnerships it provided the City of Phoenix over the years relating to historic preservation. It has

made a big difference in their city and their historic preservation efforts. He noted that, while they had a number of projects on the list today, he was at this meeting specifically to discuss the Franklin School project – number 26 on the list.

Mr. Scheel stated that three or four years ago Franklin School was on the top 10 endangered list of historic properties that were threatened by demolition. Mayor Gordon was a City Councilman representing that area at that time and worked hard to try to find a use for that very significant building. It has been run down for many years. Since becoming Mayor a year ago he redoubled his efforts, and over the past year put together a terrific partnership between the Phoenix Elementary School District, Phoenix Union High School District, the City's Historic Preservation Office, and the community to turn Franklin School into a Public Safety High School that would be operated by Phoenix Union High School District. It will provide a high school education to students interested in becoming police officers and fire fighters. Phoenix Union was brought to the table and have bond funding available for that project. The City's Historic Preservation people were brought to the table. Phoenix Elementary was the previous owner of the building. There is a solid use for this building. Within two years it will be a functioning high school serving students interested in public safety careers. A funding gap, however, remains and they desperately need support from the Arizona State Parks Board to help make this project a reality under that timeline. He strongly urged the Board to accept the broader recommendation from HPAC and, if at all possible, go beyond that and fully fund their \$100,000 request for the school.

Ms. Barbara Stocklin, Historic Preservation Officer for the City of Phoenix, addressed the Board. She stated that she wanted to echo Mr. Scheel's comments about partnerships. They are always very important in preservation. The City of Phoenix is fortunate in that it does have a bond fund that can be used for preservation projects. Unfortunately, they have so many vacant historic buildings that are schools (i.e., the Grace Court School and the Franklin School).

Ms. Stocklin noted that the problem with a lot of these school buildings is that they have been empty for years and need an incredible amount of work. These are large city historic buildings that need full mechanical and electrical work over tens of thousands of square feet. They have EEA issues; they have abatement issues (lead-based paint and asbestos); they are \$1-\$2 million projects. Partnerships are very important to these projects. Their bond funds for the Franklin School is covering \$150,000. They have a school district that seems willing to take it on, even though they are very nervous about the project. She believes the end result will be a really great project as well as a publicly-accessible building and school. What could be better than having a historic school where children can appreciate the historic facility?

Ms. Stocklin stated that the City's Historic Preservation Office certainly supports HPAC's recommendation to fund through Item 26, which would provide \$80,000 for Franklin School. If there is any way to recapture money from other projects or make this a higher priority in the next round, they would be very appreciative.

Ms. Stocklin added that one issue with their write-up is that the opportunity to make a First Responder School did not come up until after the grant application was submitted. The elementary school district did not think of a plan for the school in time; they did agree to help fund the roof project which was the reason for applying for this grant.

The application was “thrown together” quickly. Since that time, the plan for the school has evolved. It ranked at 26 because of the absence of this plan.

Ms. Stewart asked if her understanding that the role of the City of Phoenix is to go to the landowners and try to get them to preserve and restore these buildings is correct. Because of that the City doesn’t always have full control over the plans. In this particular case, she asked if Ms. Stocklin is saying that the low score was because they didn’t come up with the plan until after the application had been submitted.

Ms. Stocklin responded that that is exactly what she is saying. The Elementary School District agreed to put a roof on the school, which is desperately needed, without having a defined plan as to what would happen to the school. It was largely the community in West Phoenix watching their school building deteriorate and wanting to ensure that it was stabilized for the long-term. The City’s program for bond funds put forth \$150,000. Their grant is similar to the Board’s. They are matching funds provided to public or private property owners who must match those funds. The Board’s money would be matching the City’s money to help them. The school district would still have to do all of the interior rehabilitation and expend the million dollars needed to do that.

Dr. Ruth Ann Marston, member of the Phoenix Elementary School District Governing Board, addressed the Board. She stated that one reason she is a member of the Governing Board is because the Franklin School was one of her issues. She also sits on the Board for the Arizona Historical Society. Franklin School was one of the issues she ran for election on. The building has sat vacant; it is not only deteriorating, it is destructive in its current form to the neighborhoods it anchors. They searched for a good use for it because it is in an area of the City where another elementary school is not needed at this time. It has been vacant since the 1980s. At some time in the past this building had a red tiled roof. They have the original blueprints of the building that specify a red, Spanish tiled roof. The school district cannot afford to replace that roof, but they agreed to revamp the building. In the interest of preserving this building, the school district agreed to transfer it, essentially for the cost of attorney fees, to Phoenix Union for \$10,000. They are putting deed restrictions on it that cannot be met without the assistance of the Parks Board. Those deed restrictions include the entire exterior of the Franklin School Building shall be preserved; the property shall remain on the National Register of Historic Places within the meaning of the National Historic Preservation Act; the property shall remain on the City of Phoenix’ Register of Historic Places. That requires certain things in terms of rehabilitation and upkeep. The property shall be solely for educational purposes or for community purposes or a combination of the two. The school building and property grounds will be refurbished so that within such time period the property may be occupied for use within two years of the date of transfer. This document is currently in Escrow. The Phoenix Elementary School District has no further financial interest in it, but they have a community interest in seeing to it that that the Phoenix Union High School Board has the means to restore this building.

Mr. Porter asked what the Phoenix District’s reaction has been as to whether they, in fact, will pursue that rehabilitation and restore Franklin School as an educational institution.

Dr. Marston responded that she could only tell the Board that there was a major public ceremony that was televised less than two weeks ago. The Mayor and representatives from the governing boards of both districts were present with those who will be managing and attending the First Responders Academy promising the public that they will do this project. The current issue is whether to go with an asphalt roof or whether it will be restored historically. This is the best explanation of a "Yes" response to the question that she can give.

Ms. G. G. George, Franklin School Committee, addressed the Board. She is a resident of and represents the neighborhoods around the school. She was named Chairperson of the Franklin School Committee two years ago. She disagrees that the application was thrown together. She had an idea in February, suggested it to the Phoenix Elementary School District's Governing Board, and knowing of the Mayor's interest in this project, contacted his office. She has been working on it for the past two years. On May 11, 2003, they held a celebration at the Franklin School and invited all the children in the Phoenix Elementary School District. Franklin School is directly south of the Arizona State Fairgrounds, 1645 W. McDowell. It was built in 1925 to serve a number of neighborhoods, including Encanto, Fairdon, Storey, and Roosevelt. When the district named the committee in 2002, they asked the members who lived around the school what they wanted to see done. First and foremost was they wanted it to not continue to be a blight on the neighborhood and to be restored to the National Register's standards. They conducted a number of events and meetings that focused attention on the Franklin School. They were enthusiastic about the application for the Heritage Fund grant and view it as another step towards their goal of restoring it to the National Register's standards. It was suggested that the City of Phoenix sponsor this grant because they knew it was in a state of flux. They were not in a position to make some known information public at that time. The committee feel that returning the roof to its original red clay tile would not only enhance every aspect of the school, but would enable the neighborhoods surrounding it to be viewed in their historic perspective. The committee believes that historic neighborhoods should not exist in a vacuum. For this reason, they are requesting whatever portion of the grant they can get. Full funding at \$100,000 would perhaps cover almost everything regarding the red clay tile roof.

Mr. Porter requested the Chairman of HPAC speak to the difference from their recommendation to staff's recommendation.

Mr. Victor Linoff, Chairman of HPAC, addressed the Board. He stated that if there is a difference it is in regard to the Strategic Plan line. HPAC respects that line. It really comes into play when money is tight. There is nothing within their charter or guidelines that says that money below that Strategic Plan line will be carried over to the next grant cycle. There was precedent last year where extra money was awarded to projects that fell below the Strategic Plan line because that money was available.

Mr. Linoff stated that HPAC reviewed this year's grant applications. Sometimes the Strategic Plan line becomes arbitrary when there are several grants that fall just a point or two below the line. They took a good look at those applications in relation to money available and concluded that in the best interest of service to the preservation needs of the people of Arizona they would recommend awarding the additional money.

Mr. Travous noted that a year or so ago staff struggled to preserve the Jackson Street School, going so far as to look at it as office space for the agency. Unfortunately plans had already been put in place that were too far along for intervention on the agency's part and that school was torn down. Once a historic building is lost it's lost. He suggested that it would be nice to utilize space at this school or another school for office space for the agency.

Ms. Stewart noted that an important point was made that without the roof the school will not qualify for the National Register. Without being on the National Register there is no guarantee that it will be protected in the future. It is a domino effect that also affects the whole area.

Mr. Porter stated his agreement with Ms. Stewart. He noted that the Board needs to recognize that things are different now. The Board's direction has changed as a result of its actions during its planning session at Tonto Natural Bridge last year. The Board basically said then that it would view the grants program as an integral element in the Board's overall goals and aspirations as an organization. The Board is currently in the midst of transition at this time. There is a need to revisit some of the standards in these grants programs. He is pleased that the Board will be taking up proposed changes later in this meeting for one of those areas. He believes it reflects the concepts the Board adopted when it changed its Vision Statement and the thrust of where the Board wants to go. The Director's comments are very much in keeping with the new spirit of the Board looking to being more of a conservation steward organization than simply a park operating, money distributing entity. With that in mind, he is tempted to make a motion along the lines that was proposed to approve the top 18 projects above the line and then have this project funded in its totality.

Mr. Winkleman noted that the Board has a recommendation for the top 18 projects. He asked what projects that fell below the line staff recommend the Board consider.

Ms. Hilderbrand responded that staff recommends funding the top 18 projects. HPAC recommends awarding all of the available money. That would take it down to the Franklin School. However, there is only enough money to fund \$80,000 of the Franklin School project.

Mr. Winkleman asked if HPAC is recommending that the Board spend the \$459,074 left after funding the top 18 projects, which would take the funding down to and including 80% of the Franklin School's request.

Ms. Hilderbrand responded affirmatively.

Ms. Stewart stated that this is one of the areas that, as borne out by the testimony the Board received, more than any of the other grant programs seems to be community-driven. Although the applicants have the name of a governmental agency and even a very large governmental agency, it's obvious that the real push for this project has come from the community and that it is volunteers who are doing the work. This is also the program where the grants are limited to \$100,000. There are a lot hoops to be jumped through for that amount of money. She came here today not necessarily supporting going all the way to the HPAC recommendation but taking the position of waiting to see what was presented. She believes that the presentations have been fairly persuasive. She would suggest a motion award the Franklin School \$80,000 and that if

funds are unobligated that they receive any additional funds that are returned up to the total amount of \$100,000 so they wouldn't have to come back to the Board . Sometimes another project further up on the list isn't able to perform or finds out that they don't need all the money they received. She asked if that would be a problem.

Ms. Hilderbrand asked if the suggestion is to fund the top 18 projects and then only Franklin School.

Ms. Stewart responded that she would have difficulty in saying that the Board would only give to Franklin School because they came to the meeting and those above them did not. She doesn't believe that would be appropriate. She would say that the Board should take HPAC's recommendation but that it be specified that Franklin School is awarded the \$80,000 and should any funds be unspent by other projects they be given additional amounts up to the total of \$100,000. Then the Board would not need to take any other action in order for them to receive those additional funds.

Mr. Porter asked if passage of such a motion would affect the set-asides to ASP Development and SHPO.

Ms. Stewart responded that it would not.

Ms. Hilderbrand pointed out that the projects between the top 18 and Franklin School have not been evaluated for eligible scope items. As staff review those projects, there might be more money available for Franklin School. She encouraged the Board to limit that award to \$100,000.

Ms. Stewart added that the projects from Fox Theatre through Franklin School are subject to staff's determination of eligibility of scope.

Ms. Hilderbrand agreed.

#### **Board Action**

Mr. Porter: I move that the 26 highest FY 2004 Historic Preservation Heritage Fund competitive grant projects included on the summary list be approved for funding at \$1,642,295 and that the Executive Director or his designee be authorized to execute Participant Agreements. I further move to approve the set-aside funding to State Parks Development for \$150,000 and to the State Historic Preservation Office for \$100,000. I further move that the approval of the grants below number 18 are subject to review and approval of their eligibility of scope and, further, that funding for the 26<sup>th</sup> applicant, the Franklin School, currently will be approved at \$80,000 but with approval to go to a maximum of \$100,000 should any funds become available to do so.

Ms. Hilderbrand noted that the phrase "should any funds become available" does not include a time period. She suggested included funds in the pot right now or funds that may come in in the future.

Mr. Porter stated the intent of his motion is for funds that are presently there.

Ms. Stewart seconded the motion. The motion carried unanimously.

Ms. George thanked the Board and, on behalf of the neighbors of Franklin School, expressed appreciation for their support.

2. **Consider Adopting Policy Changes and Changes to the Rating Criteria for the Historic Preservation Fund Grant Program** – Staff recommends adopting the policy changes and changes to the rating criteria, as presented, for the FY 2005 Heritage Fund Historic Preservation grant manual. HPAC voted unanimously to adopt these changes. HPAC also voted to adopt a schedule for this grant program that includes two cycles per year. They unanimously approved a schedule and asked that it be forwarded to the Board for final action.

Ms. Hilderbrand reported that at the last Board meeting staff presented pretty much the same rating criteria and policy changes as are being presented today. Mr. Linoff is present to answer any questions, as well as Mr. Bill Collins, from SHPO.

Ms. Hilderbrand reported that a lot of work has gone into this document for about a year. Every part of the program was reviewed, and this document is the final result of that review. She drew the Board's attention to page 174 of the Board packet, the Draft FY 2005 Historic Preservation Rating Criteria. The general changes included removal of a lot of questions HPAC felt were not particularly useful in promoting historic preservation efforts. There is a real focus on project planning and community impact as being the most important parts of the Historic Preservation program. The policy changes staff are requesting the Board adopt today include mandatory workshop attendance in order to apply for a grant and that there must be some sort of consultation with SHPO prior to submission of an application.

Ms. Hilderbrand reported that workshops begin in October. For this particular program, seven workshops have been set-up throughout the state. Grants staff have worked with SHPO to guarantee that they will have a representative at each of those workshops. When applicants attend a workshop, then can meet the SHPO consultation requirement at that workshop.

Ms. Hilderbrand reported that in August HPAC voted unanimously to recommend these policy and rating criteria changes to the Board. They also recommended that staff bring the Board a schedule of a possible way to do two cycles a year for the Historic Preservation program (page 180 of the Board packet). She noted that if the Board chooses to adopt two cycles per year for this program, it would start this coming year (tomorrow). Where the document notes "1<sup>st</sup> Cycle Workshop" in May, it would happen in years to come. Staff are actually starting workshops in November. Therefore, the first cycle for the first two-cycle year would actually be a very long, extended cycle. It would begin in November with a deadline of March. Staff would do everything they normally do in March; they would do everything they normally do throughout the summer; they would make a Board presentation in September 2005 and then start the next grant cycle in November. The schedule in the Board packet would be a long, extended cycle and give staff the needed time to gear up to make it happen.

Ms. Stewart noted that in view of the Board's previous action there would be no money for a second cycle any way.

Ms. Hilderbrand agreed. She noted that HPAC wanted staff to bring to the Board the discussion that starting this new grant cycle it would be clearly-labeled, clearly-written in the Grant Manual that the first cycle would include 2/3 of available money and the second cycle would have whatever money not awarded plus the remaining 1/3. The

reason is that they assumed they would receive the bulk of applications for the first cycle. Where the Strategic Plan line was drawn for this current cycle is just about 2/3. While she believes that is a coincidence, it gives the Board an idea of how much money would be awarded using this schedule and how much would be saved for the second cycle.

Mr. Porter noted his support for these changes and his liking of two cycles. He asked if there has been discussion of moving into the modern age with the workshop by becoming more innovative and conducting them by some sort of electronic means.

Ms. Hilderbrand responded that, yes, that issue was discussed quite a bit at the last HPAC meeting. The reason there are no plans for electronic workshops for this coming series of workshops is that the agency is incredibly short-staffed.

Mr. Porter responded that he had not expected it for the next cycle; but at the same time, he doesn't want to lose focus on that issue. In the long run, it has potential for making it more useful for more purposes. He encouraged HPAC to continue to look at that possibility. There is so much available. We need to constantly recognize that when we are dealing with a state-wide situation like this we may be losing a bit. Some of the Board members had trouble getting to this meeting today because of unusual traffic events all over.

#### **Board Action**

**Mr. Porter:** I move to adopt the policy changes and changes to the rating criteria, including two (2) grant cycles per year, as presented, for the FY 2005 Heritage Fund Historic Preservation grant manual.

Mr. Cordasco seconded the motion.

Ms. Stewart stated her belief that both HPAC and staff should be commended for taking on this task and the excellent job they did. There were three areas of concern that she has. She believes that there may be minor changes that could be made that would prevent unintended consequences.

Ms. Stewart stated her first concern is under Project Planning (page 175 of Board packet). She was concerned where it talked about local community's preservation goals. She is concerned about what "local" is and whether it is too small. Many people today are talking about planning in regions and heritage areas. In a lot of our grant programs there seems to be recognition that people need to move beyond this small area. She is concerned about limiting this because sometimes a city or a county can adopt a plan. Those plans are only revised every 10 years or so. A really good project could come along two years after a formal plan is adopted that has the same community support. She is concerned that this might be interpreted in the future to mean that a project has to be in a formal comprehensive plan. She suggested that perhaps if the word "local" is removed and it just says "with the community's preservation goals". Also, under 1.a. where it talks about, "If the project is not part of the community's comprehensive plan," sometimes people misunderstand what the comprehensive plan is. They may think it's like the formal plan under Growing Smarter. She suggested adding, "part of the community's comprehensive plan" or "regional" or "state" plan. She believes that might give applicants the sense that more things would be acceptable in showing there is community support. She is certainly



open to other wording that would accomplish that purpose. Her goal is to make sure that a year or two from now the Board doesn't find that some projects that had broad support were eliminated because they weren't in some formal document.

Ms. Stewart stated her second concern relates to extra points awarded (page 177 of Board packet). She noted one gets up to 10 extra points if there is more than 40% matching funds. If a project gets up to 60% matching, it can receive 10 extra points. However, the matching can only be cash – it cannot be for “in kind”. This is the only grant program that in order to get the maximum points there has to be more than a 50% cash match. Some of the other grant programs allow the matching to be “in-kind services” and things that are donated. This is talking solely cash. Frequently they are small community organizations that have to come up with the money. She has concern that it may be difficult for them to do that. It seems inconsistent. She noted that if we are not going to give any points for service, in the second paragraph we require them to tell us about all of their other matching funds, including donations of service. She is concerned about saying “cash only” and the inconsistency of requesting them to list donations of service or materials.

Ms. Stewart stated that she is not saying she is at a point of saying she is going to vote against the motion if those changes are not made. She would like to hear from Mr. Linoff.

Ms. Stewart stated her third concern relates to Community Impact and Community Benefits (page 178). The third paragraph states “Responses should reference research or formal studies that support the benefits of this project.” In looking at who is really doing the work on these, she is concerned for a grant that is limited to \$100,000 to require attendance at a workshop that may require travel, frequently the applicants must attend the HPAC meeting, and now they have to perform research and cite formal studies. She suggested that it could be softened a bit to, “Responses should reference research or other materials that support the benefits of this project,” in order to give a little more leeway.

Mr. Linoff, Chairman of HPAC, addressed the Board. He thanked the Board for their comments. He noted that the committee was concerned from the very beginning whether they were doing the right job and addressing all of the issues that might arise. He did not see any difficulty with the suggested wordsmithing. He respects those concerns. He noted that there was a lot of discussion, however, regarding the difference between a “cash” match and an “in-kind” match. For a variety of reasons, HPAC believes that the “cash” match was a more appropriate way of dealing with that part of the grant application. From a selfish standpoint, it allows them to spend more money on a lot of these projects. The incentive is to find ways to come up with more money. However, he believes that it is important to recognize that they talked about it at length. They are proposing a reworking of the Grant Manual for one year with the two cycles. There is a lot of evaluation and review that needs to be conducted as we go through these cycles. No matter how hard they try they are sure things will come up that the committee just did not anticipate that will need to be changed. Part of their plan is to conduct a thorough evaluation at the end of the first cycle. They are going to really encourage and make it easier for applicants to provide a response to the application. They need to know how the applicants feel about filling it out. It doesn't make any

difference what the committee believes; it is the people who actually fill out those applications and complete the work they need to hear from. They also need to hear from staff. He stated his respect for the issue of "in-kind" and believes that most of what they discussed and deliberated over the course of a year's time gained consensus. Only in the end did they take a formal vote. There were a lot of differences of opinion about the "in-kind". He respectfully requested the Board allow them to try it for this cycle. If there is any damage it will be relatively small. They will be very cognizant of that and take any corrective measures needed to correct it if it appears to be a problem.

Mr. Porter proposed, with the concurrence of motion's second, to make two modifications to his motion to attempt to deal with the wordsmithing. He agrees with the issue on the cash; it is something the committee will need to work with. He proposed changing his motion to include changing A.1., the first line to read, "Projects that are compatible with the community or regional preservation goals are preferred" and A.1.a., the first line, to read, "Describe how this project fits into your community or regional comprehensive plans" and under B.1.a., third paragraph to read, "Responses should reference any research or other materials that support the benefits of this project."

Ms. Stewart stated her agreement that those changes would resolve her concerns. She asked if Mr. Porter would be willing to make a change so that they don't have to report the donations of service. When she first saw that she thought perhaps the 40% had to be cash but after that it could be a donation of service because it asks for a listing of those services.

Ms. Hilderbrand noted that that sentence is a left-over from last year. It really is a matter that staff and the committee read it a thousand times and didn't see it. It really is contradictory. A statement is not required if the applicant has a completely cash match. That sentence can be eliminated. The first sentence of the second paragraph under 4. Matching Funds could be struck.

Mr. Porter stated that, unless someone objects, he will add deleting the first sentence of the second paragraph under 4. Matching Funds to his motion.

Mr. Cordasco, as the second to the motion, accepted Mr. Porter's amendments to his motion.

Mr. Porter asked if the last sentence of paragraph 2 of 4. Matching Funds should also be struck.

Ms. Hilderbrand responded that she believed that sentence really does refer to the wider application process. Often an applicant will list one set of donations on a donation list where it is cash or whatever.

Ms. Stewart stated that she believes that sentence does have a place because sometimes there is not only cash the organization provides but there could be another grant involved that is also matching it. She believes it is saying we want a list – not their percentage – because staff will look at the list and determine what the percentage is.

Chairman Hays called for a vote on the motion on the floor as amended. The motion carried unanimously.

Mr. Porter thanked HPAC for their work. He noted that it excites the Board to see this kind of responsiveness to what he believes will be a significant change in direction of the entire organization.

Mr. Linoff thanked the Board for their support. It is their hope that this will be a model for the rest of the grant programs. He commended the work of the committee members and of the agency's staff. This was a collaborative effort between HPAC and the Grants staff and the SHPO staff. During this process new lines of communication were opened up that had shut down over the years.

Ms. Stewart thanked Mr. Linoff and the entire committee. They had a number of extra meetings to accomplish this during the past year. They get no remuneration for their efforts. Rather than ask staff to come up with something and bring it back, they really discussed these things and hashed them over. They spent a lot of time on this. Mr. Linoff has taken the time to come before this Board twice. She thanked SHPO for their input. They have become a real partner in this program and participated in this process as well. She believes there will be much better projects as a result of the new criteria and the greater involvement of SHPO early on to give assistance to our community partners who are doing this important work.

Mr. Linoff stated that the intent was to raise the quality of the applications. He also wanted to thank Ms. Stewart for attending several of their meetings. She saw first-hand the deliberate process they went through.

Ms. Stewart thanked Ms. Hilderbrand for her work in all of the grants and other areas of the agency. This is Ms. Hilderbrand's last meeting. She believes that the HPAC criteria and the smoothness with which the Board was able to go through a complicated grant cycle is a tribute to her efforts in the Grants Section. She streamlined things to make it user-friendly and got the information to the Board so they could feel that they had enough information to make an informed decision. The level of scholarship that Ms. Hilderbrand has provided to this and the critical analysis that she's provided to the grants and the privatization report she prepared is a high standard she brought to the agency. She expressed her appreciation for Ms. Hilderbrand and stated that she will miss Ms. Hilderbrand's involvement.

Mr. Travous stated that he will miss Ms. Hilderbrand both professionally and personally. She brought so much to the organization in a short time. She is an interesting lady. The agency will miss her. He wished her the best in whatever she does.

Chairman Hays called for a recess at 10:55 a.m.

Chairman Hays reconvened the meeting at 11:05 a.m.

## **F. DIRECTOR'S REPORT**

### **1. Activities since July 22, 2004**

Mr. Travous reported that most of his activities were included in the E-mail update he sent to the Board. He noted that he has been involved with the report included in the Board packet on page 181 – An Arizona Department of Conservation. He reported that he developed this white paper for the Governor's consideration as a result of the last year-and-a-half of strategic planning sessions, listening to what the members of Chapter

7 were saying, and getting feedback. He presented it to Ms. Lori Faeth, the agency's representative to the Governor. He has a meeting next week with Ms. Faeth and Mr. George Cunningham to discuss it. We can only go as far, at this juncture, as the Governor's Office thinks we can go. He noted that we can't go very far in the process if we don't get our budget rectified. Next week's discussion will be a dual conversation about rectifying the budget shortage and becoming, at some point in time, a Department of Conservation. It seemed to appeal to Ms. Faeth. She is a former member of The Nature Conservancy.

## **2. Strategic Plan Update**

Mr. Travous reported that the meeting with Chapter 7 was cancelled. He is waiting to reschedule that meeting until after he has the meeting with Ms. Faeth next week.

Mr. Travous reported that he has met with people from different aspects of the agency to look at what they need in order to do their jobs. Information is being collected for the PAMS program. Not only will it be information they need, but it will give a better idea as to what will be needed from the agency's Information Technology System to handle that kind of program.

Mr. Travous reported that he attended the National Association of State Park Directors' conference in Missouri. There were some interesting discussions on the impact of the Fair Labor Standards Act (FLSA) changes and what it means to park rangers, who are specifically mentioned in those changes. Agency staff and representatives from the Department of Administration (DOA) and the Attorney General's Office (AG) are in the process of going through these changes to see what impacts, if any, it will have on our employee classifications and their compensation.

Ms. Stewart asked if that is the overtime/on-call issue.

Mr. Travous responded that is an overtime issue but not an on-call issue. Entitlement to overtime, time-and-a-half, comp time, etc., depends on whether a position is considered Exempt or Non-Exempt. The rules have changed. Staff are trying to determine if it will have a dramatic effect on the agency.

Mr. Ream clarified that it is not a Covered vs. Uncovered issue. It is Exempt vs. Non-Exempt. One can be Uncovered and Non-Exempt. Executive Staff is Uncovered and Exempt – exempt from FLSA. One can be Uncovered and Non-Exempt – not exempt from FLSA.

Ms. Stewart asked if Covered and Uncovered refers to this act as opposed to the personnel rules.

Mr. Ream responded that Covered and Uncovered is a state classification. Uncovered employees are exempt from the merit system. Uncovered employees do not have to wait for the legislature to vote in raises; they are not covered by the merit system and can be fired at any time. Exempt and Non-Exempt refers to the FLSA.

Ms. Stewart asked if this could have a substantial impact on the salaries some of the agency's employees receive.

Mr. Travous responded that we don't know – it could have. That is why staff are working with DOA and the AG to look at all the specifics and come back with policies

or rules to adopt in the future. We certainly don't want to be in a position like the on-call situation where something goes on for two or three years before it is rectified.

Ms. Stewart noted that we also don't want a situation where employees' salaries or paychecks get decreased, either.

Mr. Travous reported that he attended the International Conference on Show Caves in Italy. Four or five employees took vacation time and paid their own way to attend the conference. He was the inaugural speaker for the day. Ms. Ginger Nolan and Mr. Dick Ferdon from Kartchner Caverns State Park (KCSP) attended and discussed cave science and cave management, respectively. There were 120 people in attendance from 14 countries. The science of show caves is becoming a bigger topic. One of the speakers just finished his Ph.D. on science needed in show caves to keep them robust. It was the 30<sup>th</sup> anniversary of Frasassi, which is a sister cave with KCSP. Staff had provided them with photographs of KCSP. When entering their cave there is a large 3-panel exhibit of KCSP. We were singled out for a special mention at their 30<sup>th</sup> Anniversary celebration.

Mr. Travous noted that staff have been working with the Department of Environmental Quality (DEQ). He just received release of the Notice of Violations on Buckskin, Alamo, Patagonia, Cattail Cove, Kartchner, Roper, Red Rock, Tonto, Slide Rock, Lyman Lake, and Dead Horse State Parks. We are clear on the violations on those parks, even after he signed the Consent Order after negotiations with the Director of DEQ. We are getting some things "squared away", in great part to the efforts of Mr. Orr.

Ms. Stewart asked if things are on schedule with the issues with DEQ and and if staff are not encountering problems in complying with the Consent Order.

Mr. Travous responded that, to the best of his knowledge, there is one issue at Picacho Peak regarding some well that we didn't have the necessary permits for. We were on track with that one until the person doing the contract work had a death in the family. There is a month or two left to comply. DEQ has been notified about the problems with that issue. Those wells have been shut down until the paperwork is in order.

Ms. Stewart asked when the Director will be able to give the Board a timeline for implementation of the GIS and PAMS.

Mr. Travous responded that he hopes to have a lot more information in November. The bulk information received from staff two weeks ago needs to be synthesized and put into some kind of order. Staff are certainly working on getting a timeline to the Board.

Ms. Stewart stated her appreciation in receiving the update. She had a question regarding grant money from energy efficiency.

Ms. Hernbrode reminded the Board that under the Director's Report questions cannot be asked on items not specifically listed, unless that item is listed elsewhere in the Agenda.

Ms. Stewart suggested that there is a need to come up with a different way of doing the Agenda because it doesn't make any sense, if the Board is getting these reports, that they can't discuss them.

Mr. Travous reported that he attended a Project 11 meeting. They met at Lyman Lake and discussed the progress of Project 11. It was determined that if the grant money

from DEQ is included as part of our efforts in Project 11, even though it wasn't cash it contributed to it and we did meet our \$11 million goal.

Ms. Stewart stated that, at some point, she would like to discuss the issue of the Conservation Department white paper.

Chairman Hays suggested it be discussed at the November meeting.

Ms. Stewart stated she believes the problem is that this a train that is moving forward and the Board has not had any input on it. Meetings are being held with the Governor's Office. She believes the Director needs to hear if the Board have any concerns.

Mr. Porter noted that he agrees with Ms. Hernbrode and that this topic is not listed on the Agenda. He believes that it can be included on a future Agenda.

## **G. PARTNERSHIPS AND EXTERNAL AFFAIRS**

### **1. Section Report**

#### 20% Cap Issue

Mr. Ziemann introduced Ms. Doris Pulsifer, new Chief of Grants, to lead this discussion.

Ms. Pulsifer stated that she was very happy to be here and to be a member of this team. It is exciting and she looks forward to working with the Board. She noted that the Grants staff have been extremely helpful and supportive in helping her through the transition.

Ms. Pulsifer reported that she researched the history of this issue. The 20% cap issue goes back to April 1993 when AORCC approved the 20% cap in order to be consistent with the other grants programs. At that time the 20% cap was already in place with the other grant programs such as the Heritage Funds grant programs that are regulated by state law. The 20% cap next appeared in the 1995 SLIF grant program. In April of 2001 AORCC voted to amend the 20% policy to state that no single entity applying for SLIF grants may receive more than 20% of the total available revenue for a given fiscal year. This was a change from the previous policy which provided for a 20% cap on all new revenues. This action then went before the Parks Board and was approved May 17, 2001 as a Consent Agenda item.

Ms. Pulsifer stated that what is probably more important than the chronology of events is the intent behind the 20% cap. The intent was that it should be consistent with the other grant programs and that it would provide equitable distribution of funds statewide. It also provided for a spirit of competition.

Ms. Pulsifer reported that wording of the policy states that no entity applying for a SLIF grant may receive more than 20% of the total available revenue for any given fiscal year. This is pretty straightforward and to-the-point. There isn't any room for any variables or exceptions.

Ms. Pulsifer stated that, keeping in mind how the policy came to be and the process a policy goes through (public announcement, opportunity for the public to comment, etc.) this policy is so straightforward there are no clauses in it for waiving from it. At this point the 20% cap needs to be followed to the letter. In going back in her own career

being on the other side of the grant cycle, she would look for opportunities for funding for the agency she worked for. Before she would ever apply for a grant she would look at how much money was available and how many grants were anticipated to be awarded. She wanted to know whether their chances were even good before going through the work of applying for a grant. Coming from smaller communities in Southeast Arizona, she knows that they rely heavily on the state to act as a big brother to protect their public interests.

Ms. Pulsifer stated that she believes that when this 20% cap was discussed it was probably the mindframe of the public in general statewide.

Ms. Stewart stated that she understands having the 20% cap in SLIF makes it consistent with the Heritage Fund grants, which by statute are required to have the 20% cap.

Ms. Pulsifer responded affirmatively. When it was brought to AORCC in April 1993, it was for the purpose of being consistent with the other grant programs that were already in place and the Heritage Funds being regulated by statute.

Mr. Travous suggested that the Board could ask AORCC to consider this issue at a future meeting and take it through the process again.

Ms. Stewart stated that she personally is comfortable with it the way it is. She does not see a reason to have that grant program different from the other programs. She believes that it could, in fact, be a deterrent to getting applicants if potential applicants feel they aren't likely to be number one. Without a cap, the Board will start to see some very large requests. Then what will the Board do? Will the Board then just give all the money to the first applicant on the list because they asked for \$5 million and it's a nice project and they did a good job? Will the Board then need another complicated set of criteria of how to decide whether to give them the entire amount or only part of it? It makes the process very complicated. Sometimes in trying to solve one problem worse problems are created. She believes there is some benefit in having consistency even though the legislature did not make it statutorily required. It did in all of the other grant programs. Even the 20% cap could limit the grant awards to five applicants. In some of these areas the Board gets 20 or more applicants. She believes it is better to spread the money around a little.

#### General Population Survey / Presentation on Arizona State parks Consumer Marketing Study

Mr. Ziemann reported that Ms. Krug and Ms. Beyer were present to run through the Consumer Marketing Study that was distributed to the Board at the July Board meeting and the General Population Survey.

Ms. Audra Beyer, Research and Marketing, distributed a hard copy of the PowerPoint slide presentation she was going to present. She noted that previous marketing studies were conducted in 1994 and in 1997. The first part of the study was conducted by telephone. A total of 1,500 interviews were conducted and available in English and in Spanish. A total of 5% of the interviews were conducted in Spanish. The purpose of the telephone survey was to get general information about the recreation behavior and agency awareness from residents of Arizona. The second part of the study consisted of a mail-back portion. Out of 974 mail-outs, 439 responses were received for a response rate of 45%.

Ms. Beyer noted that under the Awareness of Management Agencies (top of mind) ASP has remained relatively low (13%-15%) relative to other agencies such as the Forest Service during the past two years. Hispanics and Non-Hispanics were equally aware of the Arizona State Land Department, however the percentage was very low (3%-5%). Hispanic residents were less aware of the various land-managing agencies. They were aware of ASP as an agency 6%-15% of the rest of the population. When asked if they were aware that ASP provides a system of parks around the state 50% were able to indicate they were aware. Hispanics were less aware that ASP provides a system of parks throughout the state and were less aware of the Heritage Fund. When asked if they had visited an Arizona State Park at least once while in Arizona, 70% indicated they had, and slightly more responded they did so in the last 12 months. However, Hispanic respondents were less likely to have ever visited an ASP site at any point. Of those who had visited an Arizona State Park, they were equally likely to have done so in the last 12 months.

Ms. Beyer noted that caution needs to be exercised in interpreting this information. Of the 70% who indicated they visited an ASP site in the last 12 months, only a small percentage were able to name the site they most recently visited.

Ms. Stewart asked if this means that the answers to the earlier questions and this question makes it obvious that they are confusing any park in Arizona with an Arizona State Park. If that's the case, then 7 out of 10 people really did not visit an Arizona State Park.

Ms. Beyer responded affirmatively. This is common in many states. Of all the respondents, 18% did not know the name of the park they visited most recently and 18% of all respondents and 21% of Hispanic respondents named the Grand Canyon National Park as the state park they most recently visited. The survey indicated that Hispanic and Non-Hispanic respondents were equally likely to have visited river, lakes or streams and desert recreation areas. Hispanic respondents were more likely to have visited public parks. Slightly more than 1/3 of the respondents traveled outside the state for outdoor recreation purposes in the last year, with the top five destinations being: California, Utah, Colorado, Nevada, and Oregon. California has remained the top destination during the last 10 years; Utah has moved to 2<sup>nd</sup> place from 4<sup>th</sup>. Hispanic respondents were less likely to have visited a park or recreation area outside Arizona in the last 12 months.

Ms. Beyer discussed the mailed survey results. This survey was mailed to two populations: those who agreed to participate from the telephone survey and involved constituencies (ICs), those affiliated with organizations involved in outdoor recreation and/or historical organizations in Arizona. Three quarters of the respondents reported they had used local park and recreation facilities provided by their own communities in the last 12 months. When asked their preferences among large multi-use parks, open spaces, small parks with a few facilities, and larger nature-oriented parks, open spaces with very little development and larger nature-oriented parks with areas for hiking were preferred. Of 10 agencies, residents and ICs were most interested in visiting areas managed by US National Park Service, US Forest Service, and ASP. The most popular region visited was Region 1 (metro Phoenix, Globe, and Tonto National Forest).



However, the area they preferred most to recreate at was Region 3 (Flagstaff, Williams, and Coconino National Forest).

Ms. Beyer reported that the survey indicates nearly half of all respondents and 2/3 of ICs use the Internet to access information. The top method for finding a site was to utilize the search engine. When someone searches for Arizona parks or Arizona historic areas, ASP's website is the top-listed site on the Internet.

Ms. Beyer reported that the survey asked for respondents' awareness of each state park from a list of all the parks in the system. The top five ASP sites were: KCSP, Lake Havasu, Picacho Peak, Slide Rock, and Tonto Natural Bridge State Parks. The lowest five ASP sites were: San Rafael Ranch, McFarland, Cattail Cove, Buckskin Mountain, and Roper Lake State Parks. When asked whether they had visited the park in the last 12 months, the top five most-recently visited parks were: Jerome, Red Rock, Slide Rock, Picacho Peak, and KCSP. The lowest five ASP sites were: McFarland, San Rafael Ranch, Cattail Cove, Homolovi Ruins, and Buckskin Mountain State Parks.

Mr. Porter noted that more people said they visited a park that isn't open (San Rafael) than McFarland.

Ms. Beyer reported that when asked their preferences for programs and services, the highest scoring parks were those with history and nature programs; the lowest scoring were those with equipment rentals. When asked about their preferences for facilities, the category of Equestrian, Golf, and Computer Internet decreased their visitation preference for the facility. The most popular was Education and Overnight Facilities (including cabin rentals, museums, educational and interpretive displays).

Ms. Beyer reported that respondents were asked to respond to 13 statements regarding fees. Both residents and ICs alike understand the rationale behind charging user fees and are willing to pay fees if the benefits are visible. They do not feel fees discourage their visits to ASP sites, nor do they feel that fees lead to overdevelopment.

Ms. Beyer stated, in conclusion, this survey indicates that location is a big factor as to where people recreate. People do not seem to associate the actual agency with the place they recreate at or visit. They care more that these opportunities are available to them. For Arizonans, the priority is open spaces or nature-oriented parks. The types of activities that Arizonans enjoy are those things offered by our parks. She stated her hope that this survey will be a tool for the Agency in developing action plans for developing recreation plans and opportunities in the future.

Ms. Stewart stated that she noticed on the structural constraints slide that the first item listed was "camping fees are too high". She noticed this summer as she traveled around some of the Western states (including campgrounds in California, several state parks in Colorado and Utah and last year in New Mexico and Idaho) all of those states seem to have a majority of the sites non-hook-up or limited to tent camping. There was usually a mix of 2/3 tent camping and 1/3 RV if they have it. Most of our parks, with the changes made as a result of Project 11, have gone the other way or even 100% RV. The difference she noticed was that most of these other parks were completely full and there were many Hispanic people there. There were a lot of people just enjoying family camping from a camper or pick-up. The fees were, for the most part, lower. It is interesting to note that people thought our fees were high. The fees were raised

because of the improvements made at the parks. She understands, however, that some of those parks are filling up. She wondered whether they are being filled with different people and if they are being filled with people who have the ability to spend the amounts of money on RVs and if that might play into the demographics of who actually goes to camp in our parks. It seems that we can't be that different in terms of our populations than New Mexico and Colorado and California in terms of what people like to do. It seems like we may not be getting the message out to some populations. She asked if they were asked open-ended questions or given a list to respond to.

Ms. Beyer responded that they were given a list and asked to indicate their responses on a scale.

Ms. Stewart noted that there is a lot of thoughtful information in this presentation. There were some things she expected to see, but there were some surprises as well.

Chairman Hays asked if The Nature Conservancy and SRP were present to make their presentation.

Mr. Travous responded that they were not. Staff had some discussions and continue to meet with SRP and The Nature Conservancy regarding some joint programs.

Changes to the FY 2004 Trails Heritage Fund and Recreational Trails Program (Motorized Portion) Grant Application Manuals Regarding Guidelines for Donated Trail Labor and Materials

Mr. Ziemann reported most of the changes being recommended deal with donated labor rates. The donated labor rate, in terms of these programs, would be changed by bringing them up to \$10 per hour for a trail crew worker and \$14 per hour for a certified trail crew supervisor. This item was presented to AORCC on July 26 and was unanimously adopted.

Ms. Stewart asked why the recommendation of the value of volunteer labor for a one-time non-routine trail cleanup event is to stay at the minimum wage.

Mr. Ziemann responded that he guessed it was because that labor force would probably not be trained and would perform as a cleanup crew.

Mr. Baldwin added that in the grant program, specifically for Heritage Fund trails grants, there is an eligible scope item which is a one-time cleanup project. No one has ever applied for that. It is for something such as if, on National Trails Day, people wanted to go out and do trash pick-up. It is not particularly oriented to trail work they would get credit for when they apply to do trail building or trail maintenance projects. It is a different type of work being performed.

Changes to the FY 2004 Recreational Trails Program (Motorized Portion) Grant Application Manual Regarding Recreational Trails Program Funding for Motorized Grants

Mr. Ziemann reported that in the past it has taken staff up to 15 months to distribute these funds. Because of the federal fiscal year the agency doesn't receive notice of how much money is available until October. In the coming year staff would like to combine federal fiscal year 2004 and 2005 dollars, making about \$900,000 available in the next

grant cycle. This item was brought before OHVAG and they concurred with this proposal.

Update on Trails Heritage Fund Project #689807, AZ Trail: Segments 9 & 10 Acquisition

Mr. Ziemann reported that this is an update on the Pima County Trails Heritage Fund grant which was discussed in the Board meeting in May. The acquisition is taking place. Staff have received all or part of the documents for closure and are awaiting a recorded deed for that acquisition. Pima County has until the end of November to file the final request for reimbursement for the final 10% of the funding for this grant.

Ms. Stewart noted that Mr. Winkleman would need to leave the meeting soon and she would like to hear his views on the issue of the Department of Conservation white paper. She believes that it is part of the Strategic Plan Update. The Director sees this as how he wants to implement the Strategic Plan. The Board may or may not agree. She believes that it really is part of it. The Board really never talked about that before; it was part of that earlier strategic planning that was done 10 years ago.

**F. DIRECTOR'S REPORT**

**2. Strategic Plan Update**

Ms. Stewart stated that she has some concerns in a couple of areas about proceeding. She noted that Mr. Winkleman is with another state agency that could be impacted by this. She is very concerned that, with a very conservative legislature, a Department of Conservation may not be all that popular and that the legislature might start talking about combining some agencies, and it could result in ASP being put under the Land Department or Game and Fish or even combine all three agencies.

Mr. Cordasco noted that he understands that this is a white paper – an opportunity for the Director to visit with the staff of the Governor's Office. After his visit with Ms. Faeth and Mr. Cunningham the Director would have a better sense of what to communicate to the Board and begin to put in place the various conversations to talk about it. The Board has put a lot of thought into this opportunity over the last year-and-a-half, he wouldn't even know where to start in a discussion today. Anything that might be said today may just be throwing things out and having fun talking about it but there wouldn't be much structure.

Ms. Stewart responded that that Board has its CEO going to the Governor talking about moving forward with this. She believes the Board should have some discussion. The whole purpose of talking to the Governor gives the Governor the impression that the Board supports it, and she doesn't know that that's true. She thinks the Board needs to discuss it in order to get a sense of how comfortable they are and what they see as issues that may come up.

Chairman Hays suggested that the Board needs to know if the Governor's Office will even consider discussing the idea first. Otherwise, we are wasting our time. It may be better to wait until November to discuss this in more depth. He asked the Director for his reaction.

Mr. Travous responded that he can see both sides. He believes he represented this document as the author's presentation of what he has seen the organization doing over the last year or two. His recommendation is that there is no reason to go any further

with discussions unless there are people who can do something in the Governor's Office. The meeting is just to see what they think about it and to give staff feedback on how to proceed from here on. What has been discussed, and what hasn't been discussed, are some very watershed ideas that will spread throughout this agency organizationally. Staff need to know where there is support and what pitfalls may exist going forward. He anticipates, from the Governor's standpoint, that this is not something easily done. There are things that need to be considered. More than anything, this is to see what kind of feedback we get from the Governor.

Chairman Hays noted that in any drastic change, the Governor's Office has to be there before it is brought up legislatively.

Ms. Stewart stated her point is that she sees a difference between implementing the Board's new Vision and changing the name of the agency to a Department of Conservation. She senses from reading the paper that the Director sees it as a necessary part of it. She is not convinced that's the case. She sees political problems. She is very committed to implementing the new Vision; but she has some concerns with the current political climate in the legislature. It may be premature to embark on this. It might actually backfire. The Director, personally, has the most at stake in this because if the agency gets rolled up into another agency he may not be the Director. The legislature has a way of looking at things it sometimes sees as not the highest priority and combining them with others to save money. She wants to discuss whether the timing for this is not right and maybe the Board needs a more scholarly and in-depth analysis like the report on privatization. She is concerned where things are going politically right now.

Mr. Travous responded that he is not sure the Board wants to do anything legislatively, and he's not sure it has to do anything legislatively. Part of the discussion is whether there are things the Board can do that wouldn't need the legislature to change things in order to go forward. We could still be Arizona State Parks with a tag line of, "the conservation people". There are a variety of ways to go about doing that. He shares Ms. Stewart's discomfort with the legislature. He does believe that the Board needs to get something in front of the organization that says "conservation" so there is a flag to march toward. His read is that we are recognizing that we have been doing more conservation things and we want to do more conservation things. The whole purpose here is to (a) get a flag in front of the organization that says "conservation" and (b) see how far the Governor would be engaged with the Board in promoting that idea.

Ms. Stewart responded that one of the things the Board has to consider is that the word "conservation", although it may be an appropriate word, may not be a very popular term with this legislature. She believes there are other terms they prefer. That could be dangerous, too.

Mr. Winkleman stated the concerns about the legislature that have been pointed out are absolutely there, and he doesn't believe they are lost on anyone here who deals with the legislature. He believes the Board needs to be very careful and that there would be a risk of rather than expanding ASP's mission they might cut it back, combine it, or anything else they could think of. On the other hand, if the Board doesn't have the support of the 9<sup>th</sup> Floor, they are wasting time even discussing it. He noted that during the strategic planning sessions there were discussions about the focus of where the

Board thought the agency should go. He asked if this paper came out of those discussions or from back in 1995.

Mr. Travous responded that his personal read is that it's been the focus of the Board's discussions on strategic planning for the last year. He believes the Board has been saying it without actually saying it for the last year.

Mr. Winkleman suggested that if the Board is serious about taking this forward, there be an outline where they can hear the general themes of concerns, the considerations, what might have merit and sit down and talk. He does not know that he is opposed to an initial conversation with Ms. Faeth and Mr. Cunningham to see if this idea has any legs at all. They are, however, probably more focused on the budget request right now. If the Board had 8 or 10 points that make sense, it would be helpful to have them thought out and appropriate for this group to be on board with before putting them forward.

Mr. Porter stated he finds himself agreeing with both Ms. Stewart and Mr. Winkleman. He also agrees somewhat with Mr. Travous. He doesn't have any problem at all with the white paper that was presented. He doesn't have any heartburn with some initial contacts with the Governor's Office to see if it would float and get a feel on how they feel and input from them. He believes that this is a logical outflow of what was discussed and where the Board really started guiding this agency while at Tonto last year. He believes it is something that is the logical next step for the Board to take and then really decide what to do and where we want to go. He certainly does not see anything the Director has done so far that binds the Board's hands. He agrees it needs to be kept totally away from the legislature. This is not something to defend in any way, shape, or form. But the Governor's Office is different. He would like to see their reaction. He would really like to see this then be the seed to be put into another follow-up strategic planning session early next year.

Mr. Porter noted there had been discussions of the Board holding a retreat this year. Retreats should be very special and relatively rare. It is not unusual in the aftermath of one like last year to desperately need a follow-up after a reasonable time. He believes early in the coming year would be excellent. He is not fond of retreats because they tend to discourage public attendance and involvement. He thinks they need to be minimized. He noted that they are important and that this issue underscores that need. It is the logical follow-through to what the Board did last year. He believes that the Board will find that when they start in on it they will make a fast loping trail to follow. Whether the agency's name is ever changed or not is not a big deal; what is important is that the Board recognize that we are, in fact, a conservation agency. If we don't like that fact, we'd better change it and move in a different direction.

Chairman Hays suggested that this subject be discussed in a future Board meeting.

Mr. Travous suggested that if he only has update type information from his meeting with Ms. Faeth and Mr. Cunningham that he simply sent out a note. If there's something really important, then a special Board meeting could be called. He doesn't think it will go that far. He will update the Board on his discussions with the Governor's Office.

Ms. Stewart stated that her main point is that this can be a tricky thing and the Board has to carefully consider timing and how and if we do it and whether this is the best time. She doesn't have a problem with that kind of discussion. She wasn't sure how far things were likely to go and that this was the time she should throw out general concerns on what she has observed happening to other agencies.

Mr. Porter made a motion that the Board go into Executive Session. Mr. Cordasco seconded the motion and the motion carried unanimously. The Board went into Executive Session at 12:15 p.m.

Chairman Hays reconvened the meeting at 12:43 p.m.

### **Board Action**

Mr. Porter: I move that the Executive Director of Arizona State Parks be given a 7.65% raise to make his salary \$120,996 retroactive to July 1, 2004.

Ms. Chilton seconded the motion and the motion carried with 5 Ayes, 0 Nays, and 1 not voting.

## **I. PARKS**

### **1. Section Report**

#### **Mabery Easement Dispute Litigation**

Mr. Ream reported that the Maberys have had surveyors out on ASP property surveying the easement award to them by the court. Staff are monitoring that work. No blade has come out to create a road. There is some discrepancy as to width, but staff are monitoring the situation.

Chairman Hays questioned where the Maberys are surveying to.

Mr. Ream responded he assumes they are surveying the exact coordinates as set forth in the judgment. The discrepancy regards the width of the easement.

Ms. Hernbrode added that there are a few more disagreements with that jury award than just the width. The Maberys appear to be surveying what the jury drew on the map, which runs from their property line to Tuzigoot Road. For the record, Ms. Hernbrode stated that a report was given by the AG's Office on the litigation in Executive Session.

#### **ADEQ Draft Consent Order Update**

Mr. Ream reported that the Consent Order has been signed.

#### **Patagonia Lake Boating Restrictions**

Mr. Ream reported that a survey was conducted at Patagonia Lake and staff have those results. The results were somewhat inconclusive. Staff next pulled accident records for Patagonia Lake. The accident records, compared statewide, show that out of 295 accidents in the State of Arizona in 2003, ASP only reported one – the one the Board saw when they toured the park. The top-related cause of accidents was alcohol. The report suggests that the number one thing Game and Fish is doing is increasing enforcement of current regulations; the number two thing is boating education classes. While ASP does have a boating education facility at that park, there is no stepped-up boating education

program. Some of the strictest restrictions available on any lake are in place there. Current restrictions include no towing on weekends from Friday through Monday (if a holiday weekend) and no jet skis during that time. Boating collisions are the number one cause of boating injury-causing accidents. The Park Manager was suggesting extending those restrictions full-time. One of the reasons the Park Manager made that suggestion is noise pollution from the jet skis and the open-exhausted boats. The open-exhausted boats are high-horsepower boats with the exhaust pipes sticking up and they are very loud. It won't affect a large number of visitors, but it will affect some customers. However, the open-exhaust boats are all high horsepower, but that doesn't mean the others aren't. Just restricting open-exhaust boats is more of a noise decibel pollution fix.

Mr. Ream reported that restrictions were placed on that lake. Staff are attempting to find what year in the 1990s the initial restrictions were placed. Research and Marketing will go back to determine the records leading up to those restrictions and what changes in the accident and revenue ratings occurred after those restrictions were put in place. Staff hope to learn, if the additional restrictions are put in place, if there will be a change in the number of accidents at that lake.

Ms. Stewart asked what staff means by increase the restrictions. She asked if that means staff will increase the number of days certain uses are banned.

Mr. Ream responded that the Park Manager recommended additional restrictions last year. Staff are attempting to find data to support this Board proposing those restrictions on Patagonia Lake.

Ms. Stewart noted that the reason she continues to raise this issue is that there were two different presentations from the Assistant Park Manager and the Park Manager. Both seemed to suggest that they had concerns about how that lake was currently operating and they thought further changes in the mix of uses allowed were needed.

Mr. Ream responded that he recalls attending some of the public hearings when the original restrictions were put in place. There were some very irate customers; there were also some equipment manufacturers at those meetings opposing those restrictions at the time. He does not want to bring the Board a restriction based on an incident and a recommendation by a Park Manager that is not supported somehow statistically. That is where he is having difficulty.

Ms. Stewart responded that she is not sure this is something that staff will be able to support statistically because if staff are waiting for a certain number of accidents to happen it may be more of an engineering issue. It's not so much that the lack of accidents would prove that it's OK. Sometimes the number of accidents might be evidence of a problem. When engineers are, for example, designing roads they look at what speed can be driven at certain angles, etc. It seems like every body of water will be different. There are things that make ours unique. There is a certain amount of surface area, so perhaps a comparison could be made to what is being done at similar lakes. There are a number of uses at this park. There is an area roped off for swimming and there are small islands in the lake. She's not sure that staff will ever be able to quantify it. It seems that these mixed uses with the speeds and configuration may not be compatible.

Mr. Travous noted he has a document from the Department of Reclamation that was just published this year. Under Procedural Standard for Visitor Capacity Decision-Making they propose a model that they have tested out across the country on safe boating levels, surface area, etc. When he was a planner more than 20 years ago, it was rather crude. It appears they have taken this report and looked at both the types of visitors and uses. It is something he believes the agency can apply to what the Board is trying to do here. Right now all that is available is anecdotal information.

Ms. Stewart agreed the document could provide guidelines in terms of coming up with ranges. It would provide indications as to whether we are approaching an area that could be in the danger area.

Mr. Ream suggested that, much like when staff bring fees to the public, there is some sort of philosophy and something to back that philosophy with for changing fees. He cannot provide that information to the Board at this time.

Ms. Stewart noted that if staff are going to apply that kind of approach, then we are getting closer than asking people what their perceptions are. She believes that's a good idea. Since the Board will be meeting in Tucson, perhaps the Park Manager from Patagonia could join the Board.

Mr. Ream responded that he has been trying to send the Board mid-meeting updates. Most of his time planning the most recent mid-meeting update was spent working on DEQ issues. He would like to provide the Board with a mid-meeting update on this issue.

Ms. Stewart noted that she recalled concerns about oil in the water. She asked whether this is an issue the Board should look at as well.

Mr. Ream responded that it is an issue at the national parks. Lake Tahoe does not currently allow two-stroke engines. This is not something that has come to Arizona, although jet skis were prohibited last year at Lake Powell. Everyone appears to be going after two-stroke boaters because of the amount of oil they burn. It comes out in the exhaust. We are seeing more and more four-stroke engines coming out.

Mr. Ream stated that if the Board wants to change the way we operate (and it will be a big management change for Patagonia Lake) and begin decreasing it down to becoming a fishing lake, staff need to look at what it does in terms of revenue. That is the number three revenue earner in the state.

Ms. Stewart noted that there are other uses. There is the increased birding, the natural areas at Sonoita Creek, picnicking, and swimming.

Mr. Ream responded that he would hate to say that we value dollars over safety or pollution or water quality. That is not the case. This agency looks at all of those issues. The boating that is occurring at Patagonia Lake now has been traditional to that lake. Changing it will be messy.

#### Update on Rio Rico/Sonoita Creek Land Acquisitions

Mr. Ream reported that staff have received a contract for the purchase of the Santa Cruz River/San Cayatano including all four, possibly five, phases. Staff have reviewed that contract and have some problems. Avatar and ASP need to sit across a table. One of



the problems is the order of phasing. The first phase was not adjacent to the park – there was no connectivity to the Board's current property. A later phase would have had to be purchased to provide that connectivity. It puts staff's feet to the fire to make a second phase purchase. It obligates ASP to make that second phase purchase. Staff were trying to purchase them one-at-a-time. Staff are recommending that the Board purchase the phases that are connected to the park.

Ms. Stewart asked if any of this involves the area that NAPAC felt would not qualify for natural areas.

Mr. Ream responded that it does. All of the phases put together do include the San Cayatano Mountains. NAPAC's review and inspection is not scheduled until next week. Staff really cannot enter into a contract with Avatar until NAPAC takes a look at the entire contract and the phasing portions to see what is eligible for natural areas. That meeting will take place next Tuesday at Rio Rico. They will be there two days going over the phases, particularly those they haven't seen along the Santa Cruz.

Mr. Ream reported that staff are working the appraisal. Staff needs its own appraisal on that property; we cannot use their appraisal for any purchase at all because of some things included in it.

Mr. Ream reported that staff are concerned about the agricultural lands included. There are a couple of large parcels of agricultural land; however, ASP won't have any water rights. These agricultural lands will quickly revert to mesquites. The whole intent of this purchase is to keep these agricultural lands as open grasslands with nice vistas along the Santa Cruz River. The agricultural lands require a great deal of management and water. There may be a solution to that problem, but it will require a change to the contract on their end.

Mr. Ream reported that there are water quality issues. All of the water running down there is, for the most part, from the treatment plants. Staff have issues to look into. He mentions these issues because Avatar would like to close on Phase I in December. He doesn't think it will be physically possible to make that date. We only have one Acquisitions person on staff. He can only do so much. This is a big acquisition because of the phases. If we were just purchasing one at a time, it might be different. The contract Avatar wants the Board to enter into is for all five phases. The AG's Office has issues with that contract as well.

Ms. Stewart stated that she gets the sense that the Board is being asked to purchase some land that isn't that high of a priority in the overall package. Her concern would be that before any decision is made on any of those phases the Board needs to take a look at the list of all of the areas around the state. These things would be nice if the Board had an unlimited budget. She is concerned that the way this is being done by them coming up with phases that are not the Board's priorities forces the Board to buy into the whole deal on their terms.

Mr. Ream responded that he would speculate that they know how much money the Board has and how much land they have for sale and that they would like it to come out even.

Chairman Hays asked if the land contained in the contract is all patented land or does it include state leases.

Mr. Ream responded that it is all patented land. It is all part of that former land grant.

Kelly Ranch (Pima County Bond Program) Acquisition – Catalina State Park

Mr. Ream reported that the Board is being offered the Kelly Ranch through Pima County and their bond election. The Kelly Ranch is about a 120-acre ranch located right at the entrance to Catalina State Park. That property has about five pastures (about 100 of the 120 acres); it has some cultural resources on it; it has the Jostler House on it. He is an architect of some renown in Tucson. The buildings he designed have been eligible for the National Register over time. This house is on the property.

Mr. Ream reported that he met with Pima County Commissioner Chuck Huckleberry, Rafael Payan, Jean Emery, Bill Roe (former Parks Board member), and a number of other county staff. Mr. Roe noted that the Board needs to get in line for this bond money. As the bond ramps up, there will be a lot of people in that line and we could be shifted to the back. For the first two years of this bond money, those who are ready to move will get the first shot at it. That doesn't mean that the money won't be there 10 years from now, but ASP may not be their number one priority then. No one knows what the price of this land will be 10 years from now.

Ms. Stewart noted that the Board has seen what's happened with the Growing Smarter money to those who didn't get in first.

Mr. Ream stated that he is raising this issue now because staff could quickly be coming to the Board with a Board Action to purchase this land just because it is in the Board's best interests. This is half-priced land. The County is willing to participate with Board. They are doing the appraisal; they are doing a biological assessment; they are doing the cultural assessment. They will have it all done, which will give the Board more motivation to move this up on the acquisitions list if necessary. As they develop Tangerine Road going into north Tucson, this will be the vista. Whatever is built there is what will be seen when entering Tucson. There will be strong future problems if it does not become part of open space. Once it's purchased, it will revert to another land management agency who wants to take it over. The Board will need to be ready to purchase this land within two years. He will try to arrange a tour of the property the day before the next Board meeting.

Ms. Stewart stated that she feels it is very important to give priority to those pieces that are adjacent to the parks and that protect the integrity of what the Board already has. This is a situation where the Board doesn't know what the appraisal will come in at on the Avatar properties. Those appraisals, in the past, have not been half priced. She believes that is another factor to consider.

Land Acquisition List Update for Review

Mr. Ream reported that there are things staff, he, and Director have talked about that didn't make it to the Acquisition List. He wants to be sure that every acquisition staff have in mind appears on that list. One that is not yet on that list is the Picket Post House. It is still up for sale and is still too high a price. It is adjacent to Boyce Thompson Arboretum. There are acquisitions that need to be made along the Verde River Greenway. As development progresses at Dead Horse Ranch State Park, more and more landowners are curious about seeing their properties becoming part of the

state park in the Verde River Greenway. There is more opportunity than money available. Staff need to put all of the acquisitions they would like on one list.

Presentation by SRP and The Nature Conservancy on Verde River Properties

Mr. Travous reported that some meetings were held along the Verde River with ASP staff, Mr. Hays, Mr. Cordasco, and staff from The Nature Conservancy. SRP is purchasing lands along the Verde River for mitigation of the willow flycatcher. Their initial purchases along the Verde River have been closed to public access because of management issues. This does not set well with the citizens of Camp Verde because they like to be able to use that land. Staff could not meet with SRP prior to this meeting (and, therefore, there will be no presentation today). A meeting is being arranged with SRP to look at a system whereby SRP would perhaps purchase these lands and ASP would enter into a management agreement with them along the Verde River. Heading north from I-17, on the right side of the road, that stretch of the Verde River through Camp Verde and a bit beyond is the area they are concentrating their efforts on currently. Staff believe this could be an opportunity to expand the Verde River Greenway without having to purchase the land in many cases.

Ms. Stewart asked if those were part of the land the Board saw.

Mr. Ream responded that it is downstream from what the Board viewed.

Review Livestock Grazing Policy for Arizona State Parks' Natural Areas

Mr. Ream reported that NAPAC has offered up to the Board a policy for review that was included in the Board packet on page 190.

Ms. Stewart asked if Ms. Easman, Park Manager at San Rafael Ranch, met with NAPAC regarding this document.

Mr. Ream responded that she did.

Ms. Stewart asked if there is anything additional to discuss.

Mr. Ream responded that there are additional things. There is an existing conservation easement with Mr. Ross Humphreys. He believes this document speaks specifically about San Rafael.

Mr. Warriner reported that NAPAC met in Phoenix and that Ms. Easman was in attendance. This proposed policy was discussed thoroughly. At the end of the meeting she was in agreement that this was a reasonable proposal.

Ms. Stewart referred to a sentence in the document that NAPAC is troubled by informal suggestions that appeared to support livestock grazing activities on the San Rafael Ranch State Natural Area without measures being in place to protect and manage the springs and vegetative cover. She had never heard of any plans that weren't going to protect it.

Mr. Warriner responded that he believed that statement refers to earlier when Mr. Humphreys had some rights to use the property that he never exercised. NAPAC had concerns that if he did exercise those rights then the cattle may get into some areas on the ranch that were not properly protected at that time.

Ms. Stewart asked if everyone is happy now.

Mr. Cordasco asked when the Board would discuss this policy again.

Mr. Ream suggested that if this is made a Board policy that a motion be created to minimize livestock grazing. A grazing plan is required. This policy would be a way to say that cattle cannot be placed on ASP property unless there is a grazing program. The Board would need to add this policy to the current policies on natural areas. The Board would need to both adopt and enforce it.

Ms. Stewart noted that before the Board takes action they should know the consequences and base their decision on a sound, scientific basis. If a Management Plan is required, that would bring the information forward.

Chairman Hays noted that there are management plans and then there are management plans. It depends on who writes the plan. It could be done by the Sierra Club; it could be done by the University of Arizona.

Ms. Stewart asked if the Board would select the Management Plan.

Chairman Hays responded that he would hope that would be the case, but he didn't know for sure. He asked if the Board or NAPAC makes that decision.

Mr. Ream responded that NAPAC only reviews. They do not have to approve. NAPAC is an advisory committee to the Parks Board. They are saying that they have looked at this issue and are advising the Board to adopt this policy.

Ms. Stewart noted that it appeared to her all that the policy is really saying is that before the Board does something like this it has to go through this process in order to make an informed decision.

Mr. Ream responded that he believes this group feels strongly about that. He believes NAPAC believes that it should be a policy of this Board to do that so they can walk away knowing when their terms are up on that advisory committee that this policy is in place and they don't have to watch it every time it comes up.

Ms. Stewart stated that she believes NAPAC's concern is that the Board gets a certain level of information before making a decision and that they have an opportunity to express their views.

Chairman Hays responded that he would hope the Board would do that anyway.

Mr. Ream stated that staff would offer this policy up to the Board at its November meeting for action.

Mr. Cordasco noted that the document talks about the negative impacts of cattle. Speaking as an agency, it's true. But, it's also not true. When talking about riparian areas, some of the most extraordinary rehabilitation to riparian areas that he has seen has been accomplished with the use of livestock. He would hope the Board would stay above the arguments against cattle and their destruction; but at the same time, in line with being state parks and the ethics associated with the conservation of the lands and lean toward a Management Plan of some kind that created with some guidance.

Ms. Stewart noted that if the Board has a motion, it does not necessarily adopt every word in this policy. The Board would only be adopting what the motion says. That

motion could say that before doing anything the Board would perform a careful study and notify the Board's advisory committee that was appointed for that purpose.

Mr. Cordasco requested that, in addition to having this issue on the November Agenda as a Board Action, there also be a draft of a grazing management plan for this Board to also approve. The grazing management plan should not be left up to someone else to approve.

Chairman Hays added that the grazing management plan should be scientifically-based and not politically-based.

Mr. Ream reported that interviews for the Chief of Resources Management are being held Monday and Thursday of next week. There are quite a few candidates, six of whom will be interviewed.

## **J. FRIENDS RAISING/FUNDRAISING**

### **1. Section Report**

#### **Status of Arizona State Parks Foundation**

Mr. Travous reported that the inaugural event the ASP Foundation (Foundation) were planning for October 9 has been postponed until sometime next spring. The Board will receive an invitation to that event. The Foundation felt they needed to have all of their paperwork completed with the IRS before holding this function.

Mr. Travous reported that the Foundation's board continues to meet. They are currently in the organizational stage and dealing with the mundane types of things such as administrative details.

Ms. Stewart asked, since it is getting to the point where the Foundation will be doing some public events and people will be asking the Board about its relationship to the Foundation, if the Board could have the Assistant Attorney General render legal advice as to just what kind of relationship the Board can have with the Foundation. Up until now the entity is unknown to the public. Once things start to happen, people will be asking the Board questions. The Board needs to educate themselves before that happens.

Ms. Hernbrode responded that work is being done on a contract with the Foundation. While that contract may not be ready for the next Board meeting, she will bring to the Board what is available and provide whatever legal advice the Board needs.

## **K. SUMMARY OF CURRENT EVENTS, REQUESTS AND ITEMS FOR FUTURE AGENDAS**

Mr. Porter requested that the Board go back into a "retreat" format shortly after the beginning of the year. He believes that the Board will be ready to take a hard look at what it has done since the Vision was changed, what has been learned, and where we go from here. He believes there are many things that fall under that, such as whether we want to be a conservation agency, a thorough review of what is happening with PAMS (including any significant movement), and the training that did not take place this morning.

Mr. Porter requested that there be a provision on the November Agenda for a discussion on review of plans and programs for ASP's involvement in the History Convention to be held in Flagstaff in April. There has been a lot of planning going on, and he feels the Board needs to be briefed on what they are planning to do this year.

Mr. Cordasco noted that today there was a discussion on the grant for the Bright Angel Trail. In the past the Grand Canyon National Park Foundation has applied for other projects, particularly historic renovations within the park. He sees them around town, and they ask why ASP has a problem with that type of funding. He would like to have this discussion included on the Agenda in November so that he can have a clearer understanding of the difference between funding a trail system in a national park as opposed to one of the historic sites within a national park.

Ms. Stewart asked if the Board has a problem with that.

Mr. Ziemann responded that the question has arisen many times in the legislature. There is an informal Opinion from the AG that staff can share with the Board.

Mr. Travous added that the reason the historic preservation was not allowable was because it is not under the law of the Heritage Fund. The statute says that any trail that is on the state trails system is eligible.

Ms. Stewart noted that Kate Bradley, Chair for ASCOT, requested the opportunity to address the Board to discuss some of the things ASCOT have been doing. She requested that Ms. Bradley be included on the November Agenda.

Ms. Hernbrode thanked the Board members for making the effort to make the pre-agenda item. She understands that there were traffic issues. She believes it is very important that the Board receive that training. She distributed some handouts this morning and requested that the Board review them prior to rescheduling the training.

Mr. Beechum referred to the slide show presented earlier. He is concerned with McFarland being one of the least-visited parks. He would like a discussion in November on ways to improve McFarland to make it more visible to the public. He would like that discussion to include reasons it may be the least-visited park.

#### **L. TIME AND PLACE OF NEXT MEETING**

Chairman Hays stated that the next Parks Board meeting will be November 18, 2004 with a tour of properties discussed earlier the day before in Tucson, Arizona.

#### **M. ADJOURNMENT**

Mr. Porter made a motion to adjourn the meeting. Mr. Cordasco seconded the motion, and the motion carried unanimously. The meeting was adjourned at 1:35 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the ADA Coordinator, Nicole Armstrong-Best, (602) 542-7152; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

SUBMITTED BY:

---

Kenneth E. Travous, Executive Director

APPROVED BY:

---

John U. Hays, Chairman